

D-8

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

April 27, 2007

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 07HD-058

Hawaii

Issuance of Month-to-Month Revocable Permit to Kove's Equipment Rental LLC, Waiakea, South Hilo, Hawaii, Tax Map Key: 3rd/2-2-50:81.

APPLICANT:

Kove's Equipment Rental LLC, a Hawaii Limited Liability Company, whose business and mailing address is P.O. Box 4698 Hilo, Hawaii 96720.

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kanoiehua Industrial Lots situated at Waiakea, South Hilo, Hawaii, identified by Tax Map Key: 3rd/2-2-50:81, as shown on the attached map labeled Exhibit A.

AREA:

11,164 square feet, more or less.

ZONING:

State Land Use District: Urban
County of Hawaii CZO: ML-20 Limited Industrial (20,000 square feet)

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Vacant and unencumbered.

Property was formally encumbered by Revocable Permit No. S-7384, Michael and Joy Mentnech.

CHARACTER OF USE:

Industrial purposes consistent with County of Hawaii zoning ordinance.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

\$1,411.00 per month, based on staff appraisal dated June 8, 2006, attached as Exhibit B.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item No.3 that states "operations of existing structures, facilities or equipment with no change of use beyond that previously existing."

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO <u> </u>
Registered business name confirmed:	YES <u>X</u>	NO <u> </u>
Applicant in good standing confirmed:	YES <u>X</u>	NO <u> </u>

REMARKS:

The property was formerly encumbered under General Lease No. S-3653 to Jack L. Ayers, Trustee and Elsie M. Ayers, Trustee. The Ayers filed for bankruptcy on August 25, 1997 and after two years of trying to sell the leasehold finally abandoned the lease at the end of February 2000. Although First Hawaiian Bank had a mortgage on the property, they elected not to cure the defaults and the lease was cancelled as of June 7, 2000.

Prior to the Ayers filing for bankruptcy, the property had been subleased to Orkin Exterminating Company, Inc. but no consent was ever obtained. The Orkin Company wished to continue occupying the premises and requested a month to month revocable permit. At its meeting of July 14, 2000, under Agenda item D-14, the Board consented to a month to month revocable permit (RP S-7216) to Orkin Exterminating Company, Inc.

In a letter dated February 9, 2004, Orkin Exterminating Company, Inc. informed the Hawaii District Land Office of its desire to vacate the premises and terminate the month-to-month permit effective February 29, 2004.

At its meeting of April 23, 2004 under agenda item D-5, the Board consented to the month-to-month revocable permit (RP S-7384) to Michael and Joy Mentnech for the purpose of the warehousing and wholesale distribution of imported goods. This permit was cancelled at the request of the permittee on April 30, 2006.

The proposed use is consistent with the county zoning (ML-20) limited industrial. The applicants wish to utilize the property for the purpose of the parking trucks used for hauling building materials and also for the storage of tools and equipment needed in the maintenance of their vehicles.

The County Department of Public Works (DPW) expressed concerns regarding the water runoff from the property and the resulting ponding on the adjacent streets. The Permittee will be required to address these issues and improve the drainage on both structures and the property.

The County Department of Environmental Management require all properties adjacent to their sewer system to be connected and will assess a fee based on the water consumption of the particular property.

The Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

Staff will evaluate the property and submit a subsequent request for the long-term disposition of the property by public auction at a later date. The terms and conditions of the longer term disposition will have to take into account the value and the remaining life of the existing improvements.

Various Federal, State and County agencies were solicited for comments and are included here.

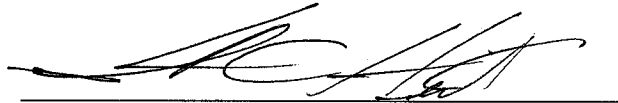
STATE AGENCIES	COMMENTS	COUNTY AGENCIES	COMMENTS
Department of Health	No comment	Planning Department	No comment
Dept. of Hawaiian Homes Land	<i>No response</i>	Dept. of Public Works	Permittee should provide drainage improvements to address runoff created by impermeable surfaces
DLNR Historic Preservation	No response	Dept. of Environmental Management	Wastewater Division requires connection to the lateral sewer system and will bill tenant for usage.
		Dept. of Water Supply	No response
		Police Department	No objection
		Fire Department	No comments
Department of Transportation	No objection	OTHER AGENCIES	COMMENTS
		Corps of Engineers	<i>No response</i>
		Office of Hawaiian Affairs	<i>No response</i>

RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the issuance of a revocable permit to Kove's Equipment Rental LLC covering the subject area for commercial purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
 - b. Review and approval by the Department of the Attorney General; and

- c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

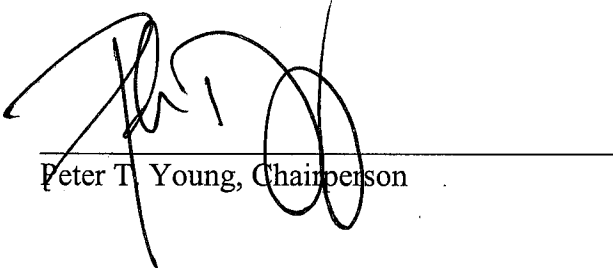
Respectfully Submitted,



WCH

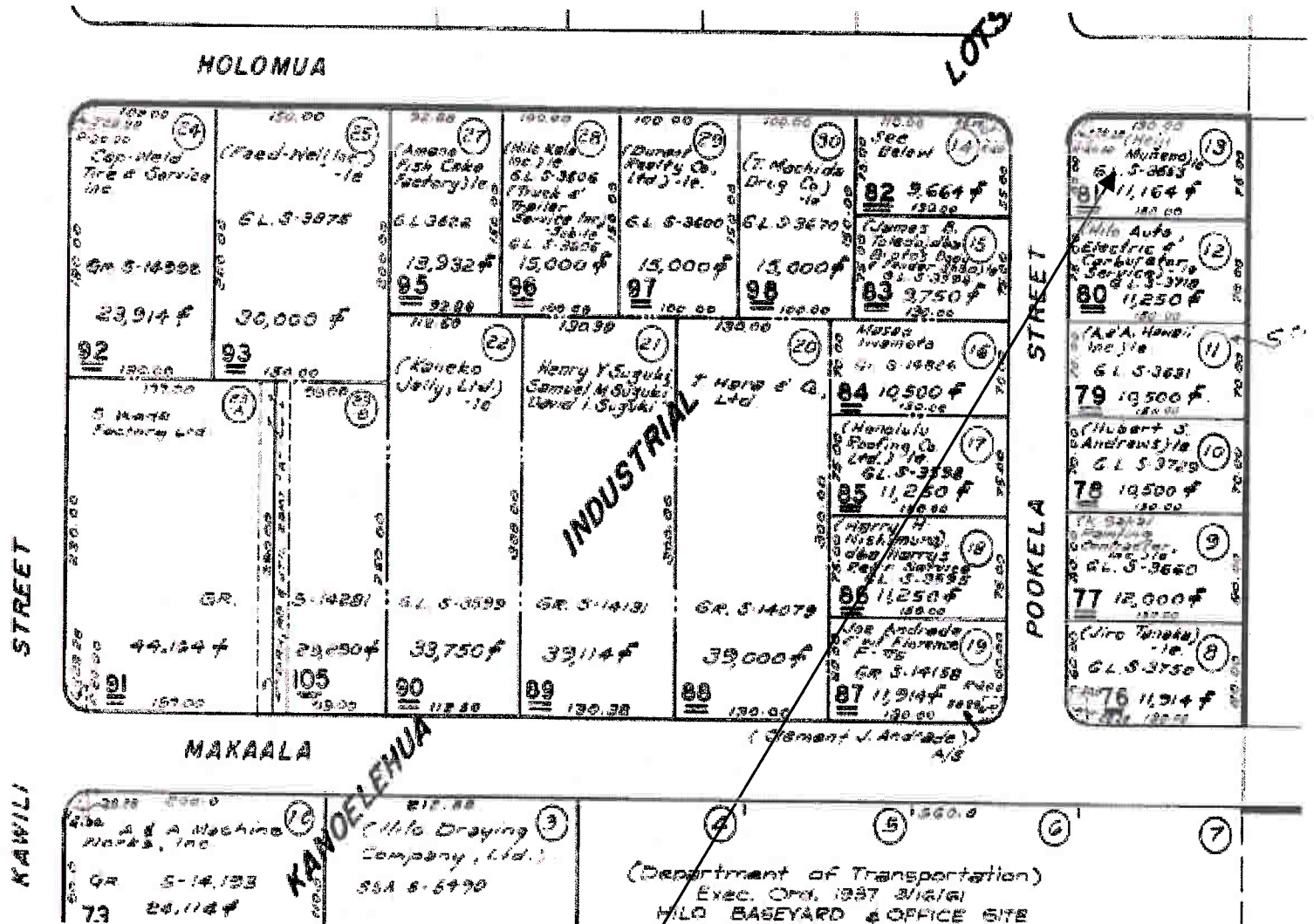
Gordon C. Heit
Land Agent

APPROVED FOR SUBMITTAL:



Peter T. Young, Chairperson

TMK: 3RD/2-2-50:81



Kove RP Request



0 75 150 300 450 600 Feet

